a wealthy individual would now be able to give over $300,000 in hard-money contributions to affect Federal elections in their State, another $2.8 million in hard money to other State political action committees, for a total of $3.1 million in a single year. Now, that is real encouraging grassroots participation. That is up, incidentally, $3.1 million. Under the present law it is $25,000. We get much more reform like this, there is no need to have any law at all.

And, incidentally, the bill still would permit unlimited amounts of soft money, which is probably the greatest abuse of all.

Whom is this bill directed to, Mr. Speaker? Only 1 percent of Americans gave campaign contributions of $200 or more during the past election, and it is indisputable that raising these individual limits can only increase the influence of the wealthy. I thought the purpose was to get grassroots participation to encourage people to participate into elections, to get more volunteers. You pass something like this, and all you do is send a message we are only interested in a rich person's club, we are only interested in how much influence money can buy.

We want real campaign reform, and that can be done on a bipartisan basis. But this is not campaign reform, it is campaign retreat, Mr. Speaker, and this is a hypocrisy to bring this out or it is ludicrous to bring this out on the floor and call it campaign reform.

This bill should be limiting costs, not increasing them. It should be encouraging small donors, not discouraging them. It should be limiting outside expenditures by outside groups. It just does nothing to curb that. It does nothing to restrict independent expenditures in a campaign, or not accountable, and it does nothing to make incumbents any more easily challenged. In fact, this is an incumbent protection bill because 9 times out of 10 that incumbent can go get that big contribution much more easily than a challenger.

Not campaign reform, Mr. Speaker.

The SPEAKER pro tempore (Mr. LONGLEY). Under a previous order of the House, the gentleman from California [Mr. RIGGS] is recognized for 5 minutes.

[Mr. RIGGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

SOCIAL SECURITY PREDICAMENT: FEWER WORKERS, MORE RETIREES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, I want to talk about one of the better kept secrets in Washington, and that is the fact that the Social Security trust fund has no money in it. There is a lot of current retirees that would like to expect that the promises on Social Security are going to stay there for the rest of their life. There is a lot of individuals that are going to be retiring in the next several years, and certainly young workers today that hope that there is some way that Social Security that they are now paying for will have something to offer them when they retire.

The predicament is that Social Security is going broke. The recent Social Security Administration estimate that they are going to be out of money earlier than they expected should be a red flag, should alert, Mr. Speaker, not only the Members of this body, but certainly the American people that we need to deal with Social Security. No longer can we put our heads in the sand and pretend that this very serious problem does not exist.

I introduced a bill last week, H.R. 3758, that deals with the problem of Social Security solvency. This bill is the only bill that has been introduced in the House that has been scored by the Social Security Administration, and it has been scored in a way that Social Security will continue to exist at least for the next 75 years, and the way it is written, Mr. Speaker, Social Security will continue to survive.

Now let me first say what the predicament is that is causing the problem in Social Security. In the early 1940's there were 42 people working and paying for the retirement benefits of every one Social Security retiree. In 1950 there were 17 people working and paying in their Social Security tax to support each one retiree. today Mr. Speaker, here is the problem: There is only three people working, supporting, paying in for each retiree, and when the baby-boomers retire, there is only going to be two working people in this country supporting that retiree.

You know what we have done? With the fewer number of workers for the larger number of retirees, we have continued to increase their taxes. Since 1970 we have increased taxes on those workers 34 times. So we continue to increase the tax on a fewer and fewer number of those working, and in terms of the demographic problems, we have an aging population. When we started Social Security, the average age of mortality, the average life expectancy, was 63 years old. Today it is 72 for a man and 76 for women. If you are lucky enough to reach age 65, you can expect to live until you are 84.

So we have an aging population on the one hand, fewer people working, and, you know, there is no trust fund, there is no reserve, it is a pay-as-you-go program where the workers today pay their money in and immediately when the Social Security Administration gets that money, they pay it out to existing retirees. If there is anything left, the Federal Government grabs the rest of that money for general fund spending.

Some people would like to believe that, look, as long as government has got those IOU's in the trust fund that somehow government can come up with the money to pay that trust fund back. I do not know how they are going to do that. How would they do that? They do it either by increasing taxes on those working to increase the burden on those individuals, and, Mr. Speaker, do you know, do the American people realize, that 70 percent of the American people today pay more in the FICA tax than they do in the income tax?

And so I say tax increases are out, so I have gradually increased the retirement age 2 years beyond the existing 67, gradually decreased the benefits for those higher income people, and what it has done is increase the solvency of Social Security to the extent that we allow those surpluses to be invested by each individual worker. So that individual worker now can take some of that FICA tax, they can take that dollar; it is going to be their own dollars, it is not going to be somebody else's dollars, and they can say, look, I am investing this in my fund, in my passbook savings account so I am assured of that money. And when you consider the fact that Treasury has had a real return of 2.3 percent on every dollar that the Treasury has taken from Social Security, and when you consider that the average equity investment is 9 percent, we end up with a bill that is going to give today's workers even greater benefits in their retirement than they would have under the existing system, plus it keeps it solvent.

Let us take our head out of the sands. Let us start dealing with the problem of Social Security.

H.R. 3760 ENCOURAGES CAMPAIGNS TO BE FINANCED BY THE WEALTHY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I wanted to take my 5 minutes to talk about this Republican so-called Campaign Finance Reform Act proposal. When I looked at it today and looked at some of the details, I have to say that I was actually shocked that in the context of a so-called reform week, which I guess now on the part of the Republican leadership is limited to this so-called Campaign Finance Reform Act, that they have proposed that the Republican leadership has come up with a bill that, in my opinion, is nothing short of obscene in terms of what it would do to the political system.

My constituents, I have to be honest, do not complain a great deal to me about campaigns and financing campaigns, but those that do write to me, those that do talk to me about the issue, the number 1 concern on their mind is the obscene amount of money that is spent on congressional races, on